CHAPTER 16

REPORTING AUDIT TIME

A. PURPOSE

The purpose of this chapter is to prescribe uniform requirements for accumulating and reporting time expended on audits of DoD programs and operations. The time reporting information will be used by the IG, DoD, to assess the adequacy of audit coverage given to DoD programs, activities, and functions.

B. APPLICABILITY

The policies and reporting procedures outlined in this chapter are mandatory, unless otherwise specified, for all DoD internal audit, internal review, and nonappropriated fund audit activities (hereafter referred to collectively as "DoD internal audit organizations"). Internal operating procedures may be modified to satisfy each organization's unique requirements for management data so long as each system meets the reporting provisions of this chapter.

C. POLICY

1. The DoD internal audit organizations shall maintain reporting systems that provide information on applicable direct or indirect (administrative) time expended for the categories, functional areas, and audit types identified in the tables of this chapter.

2. Time reporting systems shall be structured to provide information on a recurring basis to the OIG, DoD, that:

a. Identifies functional areas and the type of audits where audit resources are expended;

b. Permits an evaluation of the adequacy of audit coverage devoted to the various functions, programs, and activities within the Department of Defense; and

c. Provides historical information for use in updating audit universe files and in planning future audit coverage.

3. The DoD internal audit organizations shall report audit time expenditures annually to the IG, DoD. Reporting procedures are prescribed in section E. of this chapter.

4. Information on audit time expenditures shall be maintained with sufficient accuracy to show the actual time spent during the reporting period on each of the designated functional areas for all audits completed and in process at the end of a reporting period.

5. The DoD central internal audit organizations are responsible for ensuring that their resources are employed efficiently and effectively. (See Chapter 13.) One measure of efficiency is the ratio of direct audit time to total time available to the organization. These organizations shall maximize direct audit time

and are encouraged to attain or maintain direct time expenditures of at least 60 percent of total time available. Each of these organizations should identify and remove obstacles that prevent it f ran attaining the best possible ratio of direct audit time to total time available.

6. The DoD central internal audit organizations shall maintain management information systems that provide information on the "types" of audits scheduled , in process. and completed as outlined in Table 16-4. Reporting will be on an "as required" basis in response to specif ic requests f ran the OIG, "DoD.

D. TIME REPORTING DISTRIBUTION

Schedules shall be prepared that show the total time applied by each DoD internal audit organization during the fiscal year, as well as the distribution by categories of Indirect Time (Format for Schedule A) and by functional area of Direct Time (Format for Schedule B) . The formats for reporting are shown in Tables 16-1 and 16-2, respectively. A description of each schedule follows:

1. Application of Total Time Available (Format for Schedule A). This schedule shall show the total workdays for the period for each reporting organization, as well as a distribution of the indirect and administrative time. A description of each indirect/administrative category f or reporting purposes is included as Table 16-5. The total direct audit time f ran Schedule B (see following paragraph) shall be added to the indirect/administrative time shown to arrive at the total time available to the organization during the period.

2. Direct Audit Time (Format for Schedule B)

a. This schedule shall show the direct audit time expended on audits by the functional areas identified in Table 16-3. Time shall be expressed in auditor workdays. Audit organizations shall segregate time among functional areas as realistically as possible. Direct time reporting is structured along functional lines, with minor exceptions. The exceptions are:

(1) "Nonappropriated Funds, " for which all audit work will be charged;

(2) "Real and Installed Property," which will be charged for audit work which includes maintenance of facilities;

(3) "Investigative Support ," which will be charged for the time spent by auditors in providing assistance to investigative agencies; and

(4) "Audit Compliance Services, " which will be charged by internal review activities for the unique services involved with their liaison and followup functions. (See Functional Area 33, Table 16-3.)

b. An effort has been made to show many different auditable areas under each functional area (Table 16-3). These audit-able areas are listed for illustration only to indicate the scope of audit that might fall within that functional area and to ensure consistency of reporting between Agencies. The areas 1 isted below each functional area are not all inclusive, nor are they intended for use as subcategories under which audit time is to be accumulated. Time reporting is only required for those 34 major functional areas identified.

c. When doubt arises as to the exact function to be charged, the audit manager shall exercise good judgment and be guided by the listing of auditable areas shown under each functional area, as described in Table 16-3.

E. REPORTING PROVISIONS

Tables 16-1 and 16-2 shall be completed and submitted for the fiscal year ending each September 30th. Time reporting data shall be consolidated in the usual manner for each internal audit-organization, including single reports for the Army, Navy, Marine Corps, Air Force, and Defense Logistics Agency internal review and nonappropriated fund audit activities. Reports Control Symbol DD-IG(A) 1740 shall be used for this requirement. The requested information shall be submitted in two copies to the OIG, DoD, and marked "ATTN: Office of Assistant Inspector General (Audit Policy and Oversight)." Reports should be forwarded by November 15th each year. Early cutoff dates should be avoided in order to provide complete and comparable information f ran all audit activities.

F. AUDIT-TYPE CLASSIFICATIONS

The following procedures apply only to the DoD central internal audit activities:

1. In addition to the audit time reporting system prescribed in this Chapter, data are periodically needed by the OIG, DcD, to show the different "types" of audits undertaken by the DoD central internal, audit activities. This information is used to supplement time reporting data and respond to external. inquiries (Congress, OMB, GAO, President's Council on Integrity and Efficiency) on how internal audit organizations are applying their resources and adjusting to shifting priorities. Table 16-4 contains a listing of audit "type" codes, titles, and descriptions.

2. The DoD central internal audit activities shall maintain management information systems that will capture the requested information for all audits scheduled, in process, and completed. These activities shall have the data available, as needed, to respond to inquiries f ran the OIG, DoD. No specific reporting frequency is prescribed because of the sporadic nature of the need for this information. However, periodic inquiries to the central internal audit activities are likely, asking such typical questions as: How much audit time has been devoted to special request audits? How much time has been spent on Hotline referrals? What percentage of audit time was devoted to multilocat ion audits and to DoD-wide audits?

3. The audit "types" are not mutually exclusive, and many audits could fall into more than one type code. Therefore, appropriate identification of audits by the different prescribed types must be included in supporting management information systems and be readily available to respond to external inquiries. Since certain audits will be categorized under more than one type code, the total time captured for all audits by audit type will not necessarily be comparable to data furnished in the formats for Schedules A and B.

TABLE 16-1. FORMAT FOR SCHEDULE A—APPLICATION OF TOTAL TIME AVAILABLE FOR THE
         FISCAL YEAR ENDED SEPTEMBER 30, 19_

CATEGORY	NUMBER OF WORKDAYS
Orientation and Training	
Leave and Holidays	
PCS and TDY Travel	
Management and Administrative Functions	
Technical Functions	
Other	
Total Indirect and Administrative Time	
Direct Audit Time (from Schedule B) (Table 16-2)	
GRAND TOTAL	

Name of Activity_____

TABLE 16-2. FORMAT FOR SCHEDULE B—DIRECT AUDIT TIME ANALYSIS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 19__

FUNCTIONAL AREA	NUMBER OF AUDITOR WORKDAYS
Research and Development	
Test and Evaluation	
Major Systems Acquisition	
Procurement-Inventory Control Activities	
Procurement-*search and Development	
Procurement-Other	
Contract Administration	
Forces Management	
Maintenance and Repair of Equipment	
Rebuild and Overhaul of Equipment	
Manufacturing and Production	
supply Operations--Wholesale	
supply Operations-Retail	
Property Disposal	
Civilian Personnel Management	
Military Personnel Management	
Real and Installed Property	
Construction	
Information Technology	
Intelligence and Security	
Communications	
Transportation	
Military Pay and Benefits	
Civilian Pay and Benefits	
Program and Budget	
Other Comptroller Functions	
Support Services	
Nonappropriated Fund Activities	
Security Assistance Program	
Commercial Activities Program	
Investigative Support	
Health Care	
Audit Compliance Services	
Other	
TOTAL	

Name of Activity _____

TABLE 16-3. LIST OF FUNCTIONAL AREAS FOR DIRE(2I' AUDIT
             TIME REPORTING

Functional Area Number	Functional Area Title	Description and Examples of Auditable Areas
1.	Research and Development	This area encompasses reviews of the initial formulation of requirements for research and development and translation of those requirements into a specific program. It also includes audits of basic and applied research and exploratory, advanced, and engineer ing development. It excludes audit work in connection with the procurement of such services. Material and Weapons Qualitative Requirements War Gaming Canbat Strategy Concepts Basic and Applied Research Exploratory Development Advanced Development Engineering Development
2.	Test and Evaluation	This area covers audits of the testing phase, including operations of DoD test facilities, and evaluation of test data. Testing Center Operations Development Testing Operational Testing
3.	Major Systems Acquisition	This area includes audits of those items meeting the def inition of a Major Defense Acquisition Program (as defined in DoD Directive 5000 .1) and designated as a Defense Acquisition Board Program or a Component Program. Audits of programs subject to the reporting requirements of DoD Instruction 7000.3, "Selected Acquisition Reports," are also included in this functional area. When applicable programs are audited, sane of the areas included in this functional area are: Requirements Development of Specifications Preparation of Invitations for Bid/Requests for Proposals Solicitation Negotiation and Award Evaluations of Bids/Proposals Major System Development and Acquisition Management Aspects of CanPetition Cost and Price Analysis

TABLE 16-3. LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
TIME REPORTING

Functional Area Number	Functional Area Title	Description and Examples of Audi table Areas
4.	Procurement-- Inventory Control Activities	This area enoanpasses reviews of the major procurement mission at the national inventory control points (ICP's) of the Military Departments and the Defense Logistics Agency (DLA). It includes procurement for the wholesale supply system, but excludes local procurements to satisfy internal requirements of the ICP's and DLA. Includes: Requirements Development of Specifications Preparation of Invitations for Bid/Requests for Proposals Negotiation and Award Solicitation System (s) Development and Acquisition Management Evaluation of Bids/P roposals Aspects of Competition Follow-on Contracts
5.	Procurement-- Research and Development	This area covers the procurement related to systems or items while they are in research and development for all items except those classified as major systems for which audit time is charged under Functional Area 3. This includes the procurement of research and development services and the initial buy of an item or system emerging from research and development. Includes: Requirements R&D Services Proposal Development Requests for Proposals Evaluation of Proposals Solicitation Negotiation and Award Competitive Aspects
6.	Procurement-- Other	This area covers all procurement actions other than those related to Major Systems Acquisition, Procurement-Inventory Control Activities, and Procurement-Research and Development (Functional Areas 3, 4, and 5) from initiation of a procurement work directive or sane other form of procurement

TABLE 16-3. LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
             TIME REPORTING

Functional Area Number	Functional Area Title	Description and Examples of Audi table Areas
		requirement, up through and including award of a contract or actual purchase of the item. **Includes:** Local Purchases Solicitation Leases Lease vs Buy Decisions Service Contracts Procurement Specif icat ions Small Purchases Procurement of Transportation Negotiation and Award Consultant Services P rocurement Management
7.	Contract Administration	This area covers the review of all functions associated with procurement that follow the award of a contract, including the management of the administration process, acceptance *of and* payment for the product or service, and compliance with contractual provisions. Quality Assurance Contract Compliance Acceptance Testing Contract Payments Government Furnished Material/P roperty Review of Administrative Contracting Officer Actions
8.	Forces Management	This area encompasses audits of the operational readiness capability of combat and combat support (both Active and Reserve Component) forces. It includes analyses of the use of resources to attain required *t capability or readiness levels. Military Unit Training Contingency/Mobilization Planning Readiness Reporting Systems Active/Reserve Forces Operations Actions to Improve Readiness Force Structure Planning Training Exercises Prepositioned Equipment Programs

TABLE 16-3.   LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
TIME REPORTING—Continued

Functional Area Number	Functional Area Title	Description and Examples of Auditable Areas
9.	Maintenance and Repair of Equipment	This area covers the management and operations of the maintenance and repair function for equipment, materials, and supplies of all commodities at organizational and field (below depot) levels. However, it excludes the maintenance and repair of real property and facilities. Field Maintenance Organizational Maintenance Maintenance Inspection Calibration Performance Measurement Production Control Demilitarization (other than for disposal) Modification Work Orders
10.	Rebuild and Overhaul of Equipment	This area encompasses major repair (depot level), reconditioning, and associated f unctions such as inspection, for all commodities and classes of material. It includes reviews of the management, operations, and scheduling of the maintenance program at the depot or shipyard level in both CONUS and overseas. Depot Maintenance Maintenance Inspection Production Control Depot-Level Modifications Calibration Shipyard Maintenance Quality Assurance
11.	Manufacturing and Production	This encompasses the review of both in-house and contractor operated manufacturing and production facilities. It includes reviews of the production and scheduling systems and associated quality control functions. Operations at Government Arsenals Government-Owned Contractor Operated Plants Printing Plants and Services Production of Maps, Charts Production scheduling and Control Government Owned Government Operated Plants

TABLE 16-3. LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
TIME REPORTING—Continued

Functional Area Number	Functional Area Title	Description and Examples of Auditable Areas
12.	Supply Operations—Wholesale	This area encompasses the review of supply operations at the wholesale (depot and inventory control point) level f ran the initial determination of material requirements through receipt, storage, issue reporting, and inventory control. It excludes the procurement of material and supplies. Wholesale Level-National Inventory Control Points/bePots Requirements Determination Inventory Control Material Receiving and Issuing Warehousing and Storage Stock Balance and Consumption Reporting systems Contingency and War Reserve Stockage Configuration Management Technical Publications Preservation and Packaging Supply Management—Wholesale
13.	Supply Operations-Retail	This area covers audits of all supply operations at retail (customer) level, including the accountability and control for supplies and equipment of all commodities. It excludes procurement of material and supplies. Retail Level-Installation/Ease Supply Points Requirements Determination Material Receiving and Issuing Storage Inventory Control Requisitioning Stock Balance and Consumption Reporting Operating Stocks Supply Management-Retail Property Accountability (personal) Equipment Utilization and Reporting* Shop/Bench Stocks Asset Accountability

*Does not apply to equipment failing under another functional area (e.g., Transportation; R&D; Manufacturing; ADP) .

TABLE 16-3.   LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
              m   REPORTING—Continued

Functional Area Number	Functional Area Title	Description and Examples of Auditable Areas
14.	Property Disposal	This area encompasses audits of actions taken to dispose of property, equipment, and supplies and the management of activities engaged in disposing of property. Management of Disposal Operations Shipment for Disposal Demilitarization prior to Disposal Screening for Reutilization Control over Scrap Material
15.	Civilian Personnel Management	This includes reviews of all aspects of managing and training the civilian workforce, including recruitment, hiring, utilization, development of skills and abilities, provision of training, separation, and grievances. It excludes the procurement of personnel services under contract and reviews of personnel compensation, which are chargeable to other functional. areas. Personnel Utilization Personnel Authorizations Recruitment Classification Individual Training Programs school Training Manpower Surveys Personnel Management Productivity Standards Productivity Measurement Equal Employment Opportunity Actions Professional Development Incentive Awards Merit Pay Systems Employee Assistance standards of Conduct
16.	Military Personnel Management	This area covers the authorization, recruitment, training, assignment, and use of military personnel. It excludes the training of military units, which is included under Forces Management. Personnel Utilization Recruitment

TABLE 16-3. LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
TIME REPORTING—Continued

Functional Area Number	Functional Area Title	Description and Examples of Auditable Areas
		Basic and Advanced Individual Training Personnel Management Training Quotas Training Center Operations Military Schools Military Personnel Retention Requisitioning Management of Reserve Component Technicians Reserve Off icer Training Corps
17.	Real and Installed Property	This area covers reviews of the management and control over real and installed property from determination of the need for the property through use and disposition. It also includes reviews of the maintenance of such property. Requirements Determination Utilization Reviews Energy Conservation Utility Systems Family Housing Operations Facilities Engineering Management Pollution Control Backlog of Maintenance and Repair Maintenance of Facilities Troop Housing Environmental Issues Hazardous Waste Disposal/Cleanup
18.	Construction	This area encompasses the construction, rehabilitation, modernization, expansion, and improvement of real property and facilities. Both military and civil works construction are included . Military Construction Civil Works Construction Requirements Determination Minor Construction Rehabilitation of Facilities
19.	Information Technology	This area covers the design, development, operation, use, testing, and security of electronic data processing and other types of management information systems, both automated and manual . It also includes the analysis of requirements for both equipment and software.

TABLE 16-3. LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
            TIME REPORTING—Continued

Functional Area Number	Functional Area Title	Description and Examples of Auditable Areas
		Systems Design Data Processing Operations Utilization of Data Processing Equipment Equipment Requirements Software Requirements Word Processing Operations Computer Security Adequacy of output Acceptance Testing
20.	Intelligence and Security	This functional area includes all aspects of the management, supervision, and operational control of intelligence, as well as aspects of security associated with controlling and safeguarding resources. Intelligence Collection Intelligence Analysis/Interpretation Threat Development Dissemination of Intelligence Information Intelligence Operations Counterintelligence Intelligence Systems Intelligence Support Personnel Security Physical Security Industrial Security Communications Security Security of Classified Material Military Police Operations
21.	Communicat ions	This area encompasses activities dealing with the radio, signal, voice, and visual communication of information over tactical, nontactical, strategic, or commercial networks. Strategic Communications Tactical Communications Commercial Communications Requirements Communications Operations AUTOVON AUTODIN WATS/FTS Alert/Warning Networks

TABLE 16-3.   LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
              TIME REPORTING—Continued

Functional Area Number	Functional Area Title	Description and Examples of Auditable Areas
22.	Transportation	This area includes the management and control of all 'aspects related to the use of land, sea, and air transportation for movement of personnel and equipment, using both military and commercial sources. Requirements Determination Port Operations Air Terminal Operations Motor Pool Operations Utilization of Transportation Equipment Traffic Management Passenger, Freight, and Household Goods Movements
23.	Military Pay and Benefits	This area deals with compensation of military personnel and the administration of leave and military allowances. Pay Systems Review Payroll Preparation Leave Administration Review of Allowances Special/Proficiency Pay Reenlistment Bonuses
24.	Civilian Pay and benefits	This area covers compensation of civilian personnel, administration of leave systems, recording of time worked, and controls over and authorization for overtime and incentive pay. Pay Systems Review Payroll Preparation Leave Administration Overtime Controls and Administration Timekeeping
25.	Program and Budget	This area encompasses the management of program priorities and shifting of resources; the translation of those priorities into an approved budget; the carrying-out of that plan; and overview of the entire process. Normally these are Comptroller functions, but there may be a Program or Program Analysis off ice separately established.

TABLE 16-3.   LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
              TIME REPORTING--Continued

Functional Area Number	Functional Area Title	Description and Examples of Auditable Areas
		Program Priorities Budget Preparation Budget Review Budget Execution Year-End Spending Controls Administrative Control of Funds
26.	Other Comptroller Functions	This area encompasses the review of all remaining financial areas with the exception of those functions covered under military pay, civilian pay, and program and budget. Travel Accounting Systems Financial Reporting Disbursements Imprest Fund Management Cash Management Industrial Funds Stock Funds Financial Management Review of Unliquidated Obligations Financial Certifications Cost Analysis Accounts Receivable Accounts Payable Overseas Banking Operations Reimbursements Use of Special Funds Voucher Examination Internal. Control Review System
27.	Support Services	This area encompasses the various services financed f ran appropriated funds that are required to support DoD operations , activities, and organizations. Excluded are reviews of the procurement, financing, personnel utilization, etc., which are chargeable to other functional areas identified herein. Food Service Operations Commissary Operations Libraries Laundry Facilities Of ficer/Enlisted/Visitor Quarters Clothing Sales Stores Guard Services

TABLE 16-3. LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
TIME REPORTING—Continued

Functional Area Number	Functional Area Title	Description and Examples of Audi table Areas
		Janitorial Services Dependent Schools Morale, Welfare, and Recreation Activities (MWR) (Appropriation Funded) Service Clubs Audiovisual Services Postal Operations
28.	Nonappropriated Fund Activities	This area includes those activities, usually of a morale, welfare, or recreational nature, which are f inanced f ran nonappropriated funds. Audits of procurement, personnel, financial management or other functions in connection with nonappropr iated funds are also included in this functional area. All audit work in a nonappropriated fund regardless of the activity examined, including: Officer/Enlisted Club Operations MWR Activities (Nonappropriated Funds) Civilian Welfare Funds Package Store Operations Restaurant Operations Rod and Gun Clubs Concessions Stars and Stripes Chaplains Fund American Red Cross Exchange Systems Operations
29.	Security Assistance Program	This area covers audits of DoD foreign military sales and grant aid activities that comprise the Security Assistance Program. Reviews in this area range f ran overall management of the programs to compliance and performance at the recipient country level. Foreign Military Sales Program Customer Order Programs Program Management Requirements Determination Foreign Military Sales Training Material Pricing (Includes Recoupment of R&D costs) Collections Military Assistance Advisory Groups Billings Grant Aid Assistance

TABLE 16-3.   LIST CR? FUNCTIONAL AREAS FOR DIRECT AUDIT
               TIME REPORTING—Continued

Functional Area Number	Functional Area Title	Description and Examples of Audi table Areas
30.	Commercial Activities Program	This area includes reviews of those actions taken in connection with the program established by Office of Management and budget Circular No. A-76 (reference (es)) , including management of the program, validation of oost studies, and review of post-decision actions. Independent Cost Comparison Reviews Cost Studies Post-award Reviews Program Management
31.	Investigative Support	This area covers that time spent on reviews performed in support of investigative agencies or the time of auditors loaned to investigative teams, regardless of the functional area being reviewed. Includes that time devoted to providing audit support to criminal investigative activities.
32.	Health Care	This area encompasses reviews of the management and operations of medical, dental, psychiatric, and veterinary activities, the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) , and other health care related areas. Medical Care Professional Services Medical Facilities and Equipment Pharmacy Operations Medical and Dental Clinics Veterinary Services CHAMPUS

33.	Audit Compliance Services	This functional area is used by internal review activities only. Internal review personnel shall charge time to this functional area for time spent in:
		
		  a. Negotiating audit results between management and audit organizations;
		  b. Assisting management in the development of responsive replies to audit f indings and reports;
		  c. Following up on findings contained in audit reports and ensuring compliance with agreed-upon recommendations; and

TABLE 16-3. LIST OF FUNCTIONAL AREAS FOR DIRECT AUDIT
            TIME REPORTING—Continued

Area Number	Area Title	Description and Examples of Auditable Areas
		d. Performing all liaison actions necessary to ensure the proper and professional conduct of external. audit activity.
34.	Other "	This area reflects the direct audit time that cannot be specifically identified with one of the other listed functional areas. Every effort should be made to report direct time in an appropriate functional area. The reporting of direct time as "other" shall be kept to a minimum. The DoD central internal audit activities should include in this category time spent evaluating their canponent's audit followup systems and time spent conducting reviews of internal review, inspection, or investigative activities.

TABLE 16-4. AUDIT "TYPE" CODES, TITLES, AND DESCRIPTIONS

This Table describes the audit types and titles to assist the DoD central internal audit activities in classifying their scheduled, started, or completed audits by one or more of the audit types. Certain "type" titles and males are no longer applicable. Therefore, "type code numbers" were replaced with letters to obtain consecutive lettering/numbering and avoid using the same code with the old and new definitions in the same data base. Accordingly, it will not be necessary to change the codes of audits previously entered into an organization's data base; but sane audits may need additional classification to accommodate the new audit types.

Type Code	Title and Description
A	Financial Statement. These audits determine: whether the financial statements of an audited entity present fairly the financial position, results of operations, and cash flows or changes in financial position in accordance with generally accepted accounting principles, and whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.
B	Financial Related. These audits determine whether financial reports and related items such as elements, accounts, or funds are fairly presented; whether financial information is presented in accordance with established or stated criteria, and whether the entity has adhered to specific financial compliance requirements.
C	Economy and Efficiency. These audits determine: whether the entity is acquiring, protecting, and using its resources (such as personnel, property, space) economically and efficiently; the causes of inefficiencies or uneconomical practices; and whether the entity has complied with laws and regulations concerning matters of economy and efficiency.
D	Program. These audits determine: the extent to which the desired results or benefits established by the legislature or other authorizing body are being achieved; the effectiveness of organizations' programs, activities, or functions; and whether the entity has complied with laws and regulations applicable to the program.
E	Single Location. This applies when the entire job has been accomplished at one site. This coding should be used even though sane peripheral discussion or review may have occurred at another location such as a command headquarters, but the vast majority of the review was conducted at a single site.

TABLE 16-4. ADDIT "TYPE" CODES, TITLES, AND DESCRIPTIONS

Type **Cude**	Description
F	Multi-Location. Use this code to distinguish audits conducted at multiple sites. "Single location" and "multi-location" types are mutually exclusive.
G	Commanders Audit Program. This identifies those audits or reviews where an audit service is provided directly to commanders which is not normally available to them during regularly scheduled audits or f ran their own staff and can be provided by the audit organization in a relatively short timef rame.
H	Special Request Audits. Generally refers to unprogrammed audits done on relatively short notice at the special request of a major commander or high-level official of the Military Departments or OSD. The audit must have resulted in an audit report subject to the followup provisions of DoD Directive 7650.3 (ref erence (p)).
I	Reserve Components. This is used to identify any audit where the work was primarily done within a Military Department Reserve component (i.e., Army National Guard, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve) or at the departmental levels charged with management of the Reserve components.
J	Hotline Referrals. Those audits specifically made to examine allegations made through the GAO, Department of Defense, or Military Department _hotlines._
K	Interservice/DoD-Wide/Interdepartmental Reviews. This code shall be used to identify:

K (continued):

    1. Reviews where audit participation was on an interservice basis (Assistant Inspector General for Audi king, OIG, DoD only) .

    2. Part of a DoD-wide review where similar work is being done in Army and/or Navy, Air Force, or Marine Corps.

    3. Reviews that are being jointly conducted in other Federal Departments or Agencies under the sponsorship of a departmental inspector general or organization such as OMB or the President's Council on Integrity and Efficiency.

TABLE 16-5. SCHEDULE A--APPLICATION OF TOTAL TIME

A. GENERAL. The format for Schedule A (Table 16-1) shows the total workdays and the distribution of indirect and administrative time expended. This table explains the indirect and administrative classifications used for Schedule A reporting purposes. Direct audit time is reported using Schedule B (Table 16-2).

B. EXPLANATION OF INDIRECT AND ADMINISTRATIVE CLASSIFICATIONS

1. Orientation and Training. Record the time spent (during duty hours only) in formal or informal orientation and training. Orientation and training are defined as special guidance or instruction dealing with administrative and technical (audit) subjects designed to improve the auditor's knowledge. This classification includes, but is not limited to, auditor and technical staff training, such as GS-5/7 trainee schools, management courses, and specialized training classes. Time of personnel preparing or conducting these types of training shall be included. (Time expended in preparing for a particular audit and on-the-job training during a specific audit shall not be charged to this classification.)

2. Leave and Holidays. Report civilian and military time charged to annual, sick, holiday, or administrative leave; leave without pay; and jury duty. Also, report the time of civilians while performing military active duty for training. Do not include time of military personnel expended for purely military applications such as flight training, physical training, and alerts.

3. Permanent Change of Station (PCS) and TDY Travel. This category shall be charged with PCS time (excluding leave) for assigned personnel and all time spent traveling to and from TDY audit locations where nonaudit activities are to be performed. This travel must be accomplished during duty hours.

4. Management and Administrative Functions. This classification includes indirect time of auditors, technical staff, and administrative personnel at central and regional headquarters devoted to management and administration, including development of audit policy, overall audit planning and program management, and review and quality control of audit reports. The category will also be used to record the time of office personnel while providing clerical, stenographic, typing and reproduction services. It also includes support services, such as military and civilian personnel administration, financial management, and statistical analysis and reporting.

5. Technical Functions. This classification reflects the time expended on technical audit matters other than duties related directly to a specific audit. It includes special studies and projects, audit research , and preparation of standardized audit programs when such programs are developed for recurring use by field auditors rather than for a specific audit.

6. Other. This category reflects unassignable time and time expended on miscellaneous duties. It also includes the time of military personnel engaged in military activities, such as flight training and proficiency flying, weapons schools, physical training, and alerts.

C. Direct Audit Time

    1. On the "Direct Time" line, show the total dir- workdays. The total on
this line must agree with "Total Direct Time" (workdays) reported on the format
for Schedule B.

    2. For this report, direct audit time shall cover the time of audit per-
sonnel chargeable to a specific audit or to "Consultant Services" assignments.
All other time shall be chargeable as Indirect and Administrative time. As a
general rule, the time of personnel at central and intermediate headquarters
off ices shall not be charged to direct audit time categories, except to the
extent that the personnel are performing functions directly related to a planned
or ongoing audit. The time of clerical personnel or others involved in
performing clerical functions shall not be included in direct audit time. The
following-types of activity shall be included in direct audit time:

        a. Audit work on a specific job.

        b. Direct supervision of an audit.

        c. Planning and research relating to specific audit assignments.

        d. Report preparation (by auditors).

        e. Entrance and exit conferences.

        f. On-the- job training.

        g. Audit followup and, for Internal Review organizations, audit
compliance services.

        h. Travel during duty hours by auditors on specific audit assignments.

    3. A description of the Direct Audit Time functional areas, to be reported
in total on the format for Schedule A and broken out separately on the f ormat for
Schedule B, is contained in Table 16-3.